

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS CONTRACT 40 (MC2016-169)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2016-247

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**
(July 29, 2016)

The United States Postal Service hereby provides its response to Chairman's Information Request No. 1, which was issued July 28, 2016. A response was due no later than August 2, 2016. The question is reprinted verbatim in the attached, and is followed by the Postal Service's response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Pricing and Product Support

Elizabeth A. Reed

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3179, Fax -6187
elizabeth.a.reed@usps.gov
July 29, 2016

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REQUEST:

Please refer to the redacted version of Priority Mail Contract 40. Request, Attachment B. Section I.H.1 provides that the annual adjustment could be based upon the "most recent (as of the anniversary date) percentage change in prices of general applicability for Priority Mail Express Commercial Base, as calculated by the Postal Service. . . ." *Id.* Attachment B at 4. Please explain how the percentage change in prices will be calculated (e.g., by price cell).

RESPONSE:

On the anniversary date of the contract, the Postal Service will calculate the overall volume weighted average percentage price increase in published Priority Mail Express Commercial Base prices. That percentage increase would then be applied to all contract price cells.